COST SEGMENT 3 COST POOLS AND OTHER RELATED INFORMATION

I. PREFACE

I-A. Purpose:

USPS-FY13-7 documents the formation of C/S 3 cost pools, the development of mail processing accrued costs and volume-variable subclass costs by cost pool, and other related calculations that are inputs to the CRA "B" Workpapers, the CRA model, and the Special Cost Studies.

I-B. Predecessor Documents:

USPS-FY13-7 Excel Workbook consists of 8 parts (see sections II and III below for the contents of each part). Parts I through VIII correspond to parts I through VIII of USPS-FY12-7 in Docket No. ACR2012.

USPS-FY13-7 SAS program codes, SAS logs and SAS output tables generated by the SAS programs correspond to those submitted for USPS-FY12-7.

I-C. Corresponding Non-Public or Public Document.

USPS-FY13-7 is the public version of USPS-FY13-NP18. The competitive domestic mail and services which are detailed in USPS-FY13-NP18 (non-public version) are aggregated in USPS-FY13-7.

USPS-FY13-7 SAS program codes, SAS logs, and SAS output tables generated by the SAS programs correspond to those submitted in the USPS-FY13-NP18 folder. They are however applicable to the public version of the IOCS data file in USPS-FY13-37, while those for USPS-FY13-NP18 are instead applicable to the non-public version of the IOCS data file in USPS-FY13-NP21.

I-D. Methodology:

USPS-FY13-7 uses the same general methodology as described in USPS-FY12-7, with no substantive changes to the MODS- and IOCS-based cost pools or cost distribution methods for FY2013. However, the SAS processing for FY2013 was carried out using PC SAS, rather than a mainframe environment. The use of PC SAS requires minor modifications to inequality statements in some SAS modules to accommodate different character set ordering between the PC ASCII and IBM mainframe character sets. These modifications ensure the quantification of costs is identical across platforms, and have no effect on the cost estimates.

The product categories reported in USPS-FY13-7 are generally the same as those used last year, but reflect the introduction in FY13 of two new products. First, a new market-dominant product, Every Door Direct Mail (EDDM), is included with Standard Mail. Second, a new competitive domestic product called Standard Post replaces the old retail Package Service Parcel Post. SAS modules assigning IOCS activity codes to mail categories have been updated to accommodate cost reporting for these products. USPS-FY13-7 does not report the new Standard Post costs separately, but includes them in the reported total competitive domestic mail costs. The domestic market-dominant and total international mail and services costs are the same as in USPS-FY13-NP18.

I-E. Inputs/Outputs*:*

The FY13 information from the same data systems identified in USPS-FY10-7 (Pay Data system LDC expenses, MODS hours, and IOCS tallies) are inputs to USPS-FY13-7. The IOCS tallies are from the FY13 IOCS data file attachment in USPS-FY13-37. In addition to those data systems, the webROADS LDC 15 console hours in USPS-FY13-23, the Express Mail volume from the FY13 RPW, and the Inbound Express Mail volume from USPS-FY13-NP2 are inputs to this folder.

USPS-FY13-7 outputs are used in other public folders as follows:

USPS-FY13-2	FY 2013 Public Cost Segments and Components Report
USPS-FY13-8	Equipment and Facility Related Costs
USPS-FY13-10	FY 2013 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY13-11	FY 2013 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY13-12	Standard Mail Hybrid/Parcel Cost Study
USPS-FY13-13	FY 2013 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY13-15	FY 2013 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model / Media Mail – Library Mail Processing Cost Model
USPS-FY13-21	FY 2013 QBRM and BRM Costs
USPS-FY13-25	FY 2013 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY13-26	FY 2013 Mail Processing Costs by Shape (Public Portion)
USPS-FY13-28	FY 2013 Special Cost Studies Workpapers – Special Services (Public Portion)
USPS-FY13-31	FY 2013 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY13-32	FY 2013 CRA “B” Workpapers (Public Version)

Included at the end of this preface is Table 1, an Excel summary table of C/S 3 cost pools displaying for each cost pool: total accrued costs, mail processing accrued and volume-variable costs, and volume-variable percent of mail processing costs. The links to the table are included in USPS-FY13-7, Part I of

the Excel Workbook.

II. ORGANIZATION

USPS-FY13-7 consists of:

- an Excel Workbook with eight Excel files, and
- a SAS Program documentation with the SAS program codes, and rtf files for SAS logs and SAS output tables.

USPS-FY13-7 Excel Workbooks comprises eight parts, each contained in an Excel file. The eight Excel files are named USPS-FY13-7 Part1.xls through USPS-FY13-7 Part8.xls. The contents of each Excel file are indicated below under section III.A. For each part of the workbook, the actual tables and their titles are listed at the beginning of each Excel file.

USPS-FY13-7 SAS documentation includes a general description of the programming procedures associated with the SAS program codes, as indicated below under section III.B. *USPS-FY13-7 SAS Programs* contains the SAS programs. *USPS-FY13-7 SAS Logs* contains rtf files of the SAS logs for each program. And *USPS-FY13-7 SAS Output Tables* contains rtf files of the SAS output tables generated by the SAS program codes and the SAS logs.

III. DOCUMENTATION

III.A. Table of Contents for USPS-FY13-7 Excel Workbook.

Part I: Development of Cost Pools for Cost Segment 3.

- Preface Table Links.
- Summary Tables of C/S 3 accrued costs by facility type.
- Tables of MODS Operation Hours by cost pool and by LDC for MODS 1&2 Facilities and for NDCs.
- Tables of percent of cost pool MODS hours by LDC for MODS 1&2 Facilities and for NDCs.
- Tables of nonMODS cost pools.

Subclass Volume-Variable Costs and Variabilities, By Cost Pool (Cost Pools Include “Migrated” and “Fixed” Tallies by IOCS Activity Code).

Part II: List of MODS Operation Codes.

Part III: Subclass Volume-Variable Costs Disaggregated By Shape And By Cost Pool For First Class, Periodicals, Standard Mail and Package Services, Priority, Parcel Select, and Parcel Select Return Services. (Shapes identified are letter, flat, and ipp/parcel).

Details by Metered mail for Letter-Shaped and Flat-Shaped First

Class Single Piece, and by Permit Imprint for Ipp/Parcel-Shaped First Class Single Piece.

Part IV: Administrative and Window Service Input Costs to the CRA "B" Workpapers

Part V: Premium-adjusted Subclass Costs for C/S 3 Component 035, Distribution Keys for C/S 11, 15, 16, 18, and 20 Components (inputs to the CRA model)

Part VI: Equipment Volume-Variabilities for C/S 11, 16 (inputs to the CRA model)

Part VII: Premium Pay Adjustment Factors By Subclass, Overhead Factors By Cost Pool, Crosswalk of Selected CRA Equipment Categories to MODS Mail Processing Cost Pools (inputs to special cost studies)

Part VIII: Disaggregated Wage Rates (inputs to special cost studies)

III. B. SAS Program Documentation for USPS-FY13-7

The same FY12 SAS programs with the same general structure, methods and procedures described below are used in FY13. However, they incorporate the updates summarized above in section *I-D. Methodology*. The SAS processing for USPS-FY13-NP18 was performed using PC SAS, specifically SAS for Windows version 9.2 (64-bit), rather than IBM mainframe SAS as in previous years.

1. General Objective:

This set of SAS programs generates the Cost Segment 3 mail processing, administrative and window service input data into the CRA "B" Workpapers. Comments are included in the SAS programs to provide a description of the SAS codes.

The great majority of the SAS programs relate to the development of volume-variable mail processing costs by cost pool for the mail rate categories associated with three facility groups: NDCs, MODS 1&2 facilities, and NONMODS facilities (NONMODS consist of all other Post-Offices, Stations, and Branches that are not part of the MODS 1&2 group). The three facility groups are identified by finance numbers. The cost pools for the NDCs and MODS 1&2 facilities are identified by MODS operations while those for the NONMODS offices are identified by IOCS operations. Thus, the cost pool dollars for the NDCS and MODS 1&2 cost pools and the total dollars for the NONMODS facilities are derived independently from IOCS.

Volume-variable costs by mail rate categories are obtained by applying mail distribution keys to volume-variable activities within a cost pool. The cost pool volume-variable and non-volume-variable activities as well as the migrated tallies

are determined by IOCS (migrated tallies are activities assigned by IOCS to non-mail processing functions but they are included in the mail processing cost pool as a result of the use of MODS operation numbers reported in IOCS).

Distribution keys (i.e. percentages of dollar-weighted tallies by mail category) are based on mail class and subclass information collected through IOCS. Using IOCS data, the programs construct various distribution factors from direct dollar-weighted tallies ("direct" tallies are tallies for which a mail category has been identified by the data collector). These factors are then applied within a cost pool to distribute the dollar-weighted tallies associated with mixed mail or not-handling mail activities to mail rate categories. The combined direct and subclass distributed dollar-weighted tallies are then adjusted to the cost pool costs to provide the mail processing volume-variable costs for the mail rate categories.

2. General Programming Structure:

Step0 *Partition Tallies into Three Facility Groups Based on Tally Finance Numbers*

The SAS program selects all records from the IOCS Tally File which meet the following criteria:

Employee is a clerk or mailhandler
Employee is not at a CAG K office.

The IOCS tallies are divided into three facility groups, based on the tally finance numbers:

MODS 1&2
Non-MODS
NDCS

The programming processing tasks are organized and performed separately for each of the above three groups. Although there are variations of criteria and parameters in step execution and of input and output data among the three groups, the program core structures and algorithms are similar across the groups (accordingly the SAS program names have not been changed). All computations are based on dollar-weighted tallies.

The succession of processing steps that is common across the three groups is as follows:

Step1 *Assign Tallies to C/S 3 Functions and Mail Processing Cost Pools; Construct Subclass Distribution keys and Identify Groups of Tallies to which the Distribution Keys would apply.*

1.1 Classify clerk and mail handler tallies into mail processing, window service, claims and inquiries, and administrative groups.

1.2 Classify the mail processing tallies into cost pools. The MODS tallies are further disaggregated into ISC and non-ISC tallies. All the ISC mail processing operations are aggregated to form the international mail processing cost pool.

1.3 Identify, within each cost pool, the sets of tallies to be used for subclass distribution factors in Step 3 and the sets of tallies to which the distribution factors will apply in all subsequent processing steps. (The two sets are sometimes referred to as distribut*ing* and distribute*d* sets). Note: migrated tallies, non-volume-variable tallies and Express mail out-of-office tallies are set aside at this stage)

1.4 Construct piece-shape, and item-type subclass distribution factors for Step2, based on the piece shapes and item types of direct tallies.

Step2 *Distribute mixed mail handling tallies to subclasses*

2.1 Apply subclass distribution factors from Step 2 to distribute dollar-weighted tallies of uncounted and empty single items, and of items and loose pieces in 'identified' containers.

2.2 Use distributed dollar-weighted tallies of 'identified' containers from Step 2.1 and dollar-weighted tallies of direct containers from Step 1.3 to construct subclass distribution factors by container type.

2.3 Apply subclass distribution factors to distribute dollar-weighted tallies of 'unidentified' and empty containers.

2.4 Use distributed dollar-weighted tallies of 'identified', 'unidentified' and empty containers to distribute dollar-weighted tallies of tall pallet boxes.

Step3 *Distribute not-handling tallies and special pool costs to subclasses*

3.1 Construct proxy subclass distribution keys for LDC 15, and broad based distribution keys for distributing not-handling tallies in specified cost pools.

3.2 Construct subclass distribution keys based on handling tallies for distributing 'not handling' dollar-weighted tallies within a cost pool.

3.3 Distribute LDC15 costs and not-handling tallies to mail rate categories.

3.3 Combine all direct and subclass-distributed dollar-weighted tallies.

Step4 *Special Adjustment to Allied Cost pools*

4.1 Adjust the non-special services subclass distribution keys for the 'allied' cost pools based on the PRC methodology, and apply the adjusted distribution keys to the mail processing volume-variable costs by cost pool.

4.2 Distribute the volume-variable portion of the out-of-office Express Mail costs to Express Mail rate categories.

4.3 Combine direct and subclass-distributed costs for non-allied cost pools obtained in Step 3 and for 'allied' cost pools obtained in Step 4.1 with the out-of-office Express mail costs from Step 4.2, and add back the costs for non-volume-variable and migrated tallies. The costs thus obtained are inputs into C/S 3 workpapers.

Cost pools for the MODS 1&2 facilities and the NDCS are based on the MODS operations reported in IOCS (*Q18A03*). Mail processing cost pools for the Non-MODs are based on responses to Question 18.

Distribut*ing* sets consist of records with a mail or special service activity code (i.e., 1000-4950, 53XX-54XX, and 0020-0900 *if the employee is handling mail*) and distribute*d* sets consist of those without. Records in both sets can be associated with:

pieces
item types *(Q20=B, Q21B01*=A-G, *Q21B02*=A-H)
container types (*Q21C01*=A-I, *Q21C02*=A-B,E, Q20=F, *Q21B01*=H)

Note: The terms 'item' and 'container' are not used as such in the FY 05 redesigned IOCS questionnaire. However, the terms 'item' and 'container' are still applicable. 'Item' refers to the following categories: bundles (*Q10*=B); and non-wheeled container types, primarily trays and sacks, (Q21B01=A-D,F-G, Q21B02=A-H). 'Container' refers to the following categories: wheeled container types (Q21C01=A-I); pallets and short pallet boxes (Q21C02=E, Q21C02=A-B); and combinations of containers (Q20=F, Q21B01=H)**.** Tall pallet boxes are in a separate category of their own.

In Step 1, distribut*ing* items are those with identical mail, where the top piece rule applies or where the piece contents are counted. Distribute*d* items are:

single items, uncounted or empty

items in 'identified' containers. 'Identified' containers are those with recorded percentages of container volume (cube) occupied by shapes of loose mail and/or items (criteria: *Q21G01[A-U]* must not be all zero or blank, or contain any asterisks).

Distributing pieces are pieces handled by the employee or pieces processed on piece sorting equipment. Distribute*d* pieces are loose mail in 'identified' containers.

In Step 2.1, 'identified' container tallies are processed similarly to counted item tallies in the IOCS file. A separate record is created for each non-zero percentage recorded for an item type or shape of loose mail in the container. The dollar weight for this record is the pro-rated tally dollar weight, based on the

ratio of the recorded percentage for an item type or loose mail shape to the totaled percentages. In this fashion, each record in the distribut*ed* groups is uniquely identified with an item type or piece shape to which a distribution factor can be applied.

In Step 2.2, distribut*ing* containers are containers with identical mail and 'identified' containers whose content costs are distributed in Step 2.1. Distribut*ed* containers are 'unidentified' containers, (they have insufficient content information) or empty containers.

3. General Methods and Procedures Employed:

Programs are developed in SAS for processing using SAS for Windows version 9.2 (64-bit).

The underlying algorithm to construct a distribution key and distribute costs is employed at several places in the above process. A key is generally derived within the bounds of a single cost pool, but for specified circumstances, it can be derived across several cost pools. It is, however, always applied within the bounds of a single cost pool. The algorithmic approach is to:

Create for each mail activity code in the distribution key a separate distribution factor record containing the values of a numerator (*key)* and a denominator (*keytot). key* is the summed tally dollar weights for a mail activity code. *keytot* is the summed tally dollar weights for all mail activity codes in the distribution key. This is accomplished through applications of SAS *proc means* and *SAS merge.*

Uniquely identify each of the distribution key records by numbering them from 1 to *N.* The record sequence number will be used as a *merge* control variable.

Create for each record in the distribut*ed* group as many duplicate records as there are separate mail activity codes in the distribution key*.* Uniquely identify each of the duplicate records by numbering them from 1 to *N.*

Through a *SAS merge* with the distribution key records, add a mail activity code and the corresponding *key* and *keytot* to each record in the distribut*ed* group.

Multiply the record tally dollar weight by the ratio of *key* to *keytot* to obtain the distributed record tally dollar weight for the mail activity code.

If in a cost pool there is no distribution key to apply to a record in the distribut*ed* set, a new distribution key aggregated across cost pools is constructed and applied to that record, using the above procedure. The aggregation across cost pools is performed within each of the three facility groups, e.g. MODS 1&2 (with the ISC cost pool being excluded from this process), NONMODS, and NDCs.

For the ISC cost pool, the distributed mixed mail subclass costs are proportionately augmented within each pool by the undistributed amount in that pool.

Several sets of SAS program codes are listed as separate programs that can be inserted into any programs by using the SAS '% INCLUDE' Statement.

For example, the SAS program codes used to implement Steps 1.3 and 1.4 are applicable to all three facility groups. They are therefore stored as a separate SAS program (MAPITEMC). The same SAS program codes for MAPITEMC can be inserted into any of the programs by using the SAS '% INCLUDE.' They are then executed as part of these program codes.

Examples of other similar types of programs include: MAPCLASS which maps the activity codes into the rate categories; MAPCLCRA which assigns the CRA subclass numbers to those in established in MAPCLASS; DOLWGT and DOLWGTBM which provide for each MODS and NDCS mail processing cost pool the IOCS $, the cost pool $, and the facility space component number associated with the cost pool; DOLWGTNM which provides for non-MODS offices the aggregate IOCS $, the aggregate accrued $, the overhead factors used to incorporate the 'on break' and 'clocking in/out' costs into each mail processing cost pool, and the space component associated with each cost pool; DIST5354 which redistributes the costs for 5340 and 54XX to the relevant rate categories; PRCACTV which lists the activity codes considered to be non-volume-variable and the migrated tallies; SHAPES which maps the activity codes into disaggregated rate categories by shape.

4. List of SAS Programs:

Listed below are SAS programs with their input data sets and output data sets. Output data sets are temporary partitioned data files (the member name is in parentheses). Output data sets from a SAS program are used as input data sets for subsequent SAS programs. The SAS programs are executed in the order they are listed for each office type. The SAS programs for mail processing can be associated with steps 0 through 4 in section 2 above as follows:

SAS PROGRAM	INPUTS	OUTPUTS
MBCLREF (Step 0)	ƒ The SAS version of the PC SAS IOCS Data File in USPS-FY13-37. ƒ Flat file of *F2* MODS 1&2 encrypted finance numbers in IOCS file (mods_fin13.prn)	*&&MODS.TALLIES* *&&NONMODS.TALLIES* *&&BMCS.TALLIES*

MODS 1&2 PROGRAMS	**% INCLUDE PROGRAMS**	**INPUTS**	**OUTPUTS**
MOD1POOL (Steps 1.1, 1.2)	*MODS13* *REMAP13* *DOLWGT*	*&&MODS.TALLIES*	*&&MODS(MODS)* *&&MODS(EXPRSOUT)*
MOD1DIR (Steps 1.3, 1.4)	*MAPITEMC*	*&&MODS(MODS)*	*&&MODS (DIRECT)* *&&MODS (MODKEY)* *&&MODS (ITEMPC)* *&&MODS (CONTEMP)* *&&MODS (NOTHAND)* *&&MODS(LD15)* *&&MODS(PALLET2)* *&&MODS (EXEMPT)* *&&ADMWIN (MODS*)
MOD2ITEM (Steps 2.1)		*&&MODS (MODKEY)* *&&MODS (ITEMPC*	*&&MODS (ITEMFILL)*
MOD22ITM (Steps 2.1)		*&&MODS (MODKEY)* *&&MODS (ITEMPC)*	*&&MODS (ITEMFIL1)*
MOD23ITM (Steps 2.1)		*&&MODS (MODKEY)* *&&MODS (ITEMPC)*	*&&MODS (ITEMFIL2)*
MOD3CONT (Steps 2.2, 2.3)		*&&MODS (MODKEY)* *&&MODS (ITEMFILL)* *&&MODS (ITEMFIL1)* *&&MODS (ITEMFIL2)* *&&MODS (CONTEMP)*	*&&MODS (CONTFILL)*
MOD31CNT (Steps 2.4)		*&&MODS (PALLET2)* *&&MODS (ITEMFILL)* *&&MODS (ITEMFIL1)* *&&MODS (ITEMFIL2)* *&&MODS (CONTFILL*	*&&MODS (PALL2FIL)*
MOD4DIST (Step 4)	*DOLWGT* *DIST5354* *MAPCLASS*	*&&MODS (DIRECT)* *&&MODS (ITEMFILL)* *&&MODS (ITEMFIL1)* *&&MODS (ITEMFIL2)* *&&MODS (CONTFILL)* *&&MODS (PALL2FIL)* *&&MODS (NOTHAND)* *&&MODS (EXEMPT)*	*&&MPCOSTS (MODS)* *&&MPCOSTS (EXEMPT)*
M5ALLIED (Step 5)	*DOLWGT* *DIST5354* *MAPCLASS*	*&&MPCOSTS (MODS)* *&&MPCOSTS (EXEMPT)* *&&MODS (MODKEY)* *&&MODS (ITEMPC)* *&&MODS (CONTEMP)* *&&MODS (NOTHAND)* *&&MODS(PALLET2)* *&&MODS(EXPRSOUT)*	*&&MPCOSTS(MODSPRC)* *Summary Data Inputs into C/S3 Workpapers and CRA*
MODSHAPE	*SHAPES*	*&&MPCOSTS(MODSPRC)*	*Inputs into USPS-FY13-26*

NDCS PROGRAMS	% INCLUDE PROGRAMS	INPUTS	OUTPUTS
BMC1 (Steps 1.1 thru 1.4)	*DOLWGTBM* *MAPITEMC*	*&&BMCS.TALLIES*	*&&BMCS (BMC1POOL)* *&&BMCS (BMCKEY)* *&&BMCS(DIRECT)* *&&BMCS (ITEMPC)* *&&BMCS (CONTEMP)* *&&BMCS (PALLET2)* *&&BMCS(NOTHAND)* *&&ADMWIN(EXEMPTBM)* *&&ADMWIN(BMCS)*
BMC2 (Steps 2.1)		*&&BMCS (BMCKEY)* *&&BMCS (ITEMPC)*	*&&BMCS (ITEMFILL)*
BMC3 (Steps 2.2, 2.3)		*&&BMCS (BMCKEY)* *&&BMCS (CONTEMP)* *&&BMCS (ITEMFILL)*	*&&BMCS (CONTFILL)*
BMC31CNT (Steps 2.4)		*&&BMCS (PALLET2)* *&&BMCS (ITEMFILL)* *&&BMCS (CONTFILL*	*&&BMCS (PALL2FIL)*
BMC4DIST (Step 4)	*DOLWGTBM* *DIST5354* *MAPCLASS*	*&&BMCS (DIRECT)* *&&BMCS (ITEMFILL)* *&&BMCS (CONTFILL)* *&&BMCS (PALL2FIL)* *&&BMCS (NOTHAND)* *&&ADMWIN (EXEMPTBM)*	*&&MPCOSTS (BMCS)* *&&MPCOSTS (EXEMPTBM)*
B5ALLIED (Step 5)	*DOLWGTBM* *DIST5354* *MAPCLASS*	*&&MPCOSTS (BMCS)* *&&MPCOSTS (EXEMPTBM)* *&&BMCS (BMCKEY)* *&&BMCS (ITEMPC)* *&&BMCS (CONTEMP)* *&&BMCS (NOTHAND)* *&&BMCS(PALLET2)*	*&&MPCOSTS (BMCSPRC)* *Summary Data Inputs into C/S3 Workpapers*
BMCSHAPE	*SHAPES*	*&&MPCOSTS (BMCSPRC)*	*Inputs into USPS-FY13-26*

NONMODS PROGRAMS	**% INCLUDE PROGRAMS**	**INPUTS**	**OUTPUTS**
NONMOD1 (Steps 1.1 thru 1.4)	*DOLWGTNM MAPITEMC*	*&&NONMODS.TALLIES*	*&&NONMODS (NMD1POOL) &&NONMODS (EXPRSOUT) &&NONMODS (PALLET2) &&NONMODS (NMODKEY) &&NONMODS (DIRECT) &&NONMODS (ITEMPC) &&NONMODS (CONTEMP) &&NONMODS (NOTHAND) &&ADMWIN(EXEMPTNM) &&ADMWIN(NMOD)*
NONMOD12 (Steps 2.1)		*&&NONMODS (NMODKEY) &&NONMODS (ITEMPC)*	*&&NONMODS (ITEMFILL)*
NONMOD22 (Steps 2.1)		*&&NONMODS (NMODKEY) &&NONMODS (ITEMPC)*	*&&NONMODS (ITEMFIL1)*
NONMOD3 (Steps 2.2, 2.3)		*&&NONMODS (NMODKEY) &&NONMODS (ITEMFILL) &&NONMODS (ITEMFIL1) &&NONMODS (CONTEMP)*	*&&NONMODS (CONTFILL)*
NONMOD31 (Steps 2.4)		*&&NONMODS (PALLET2) &&NONMODS (ITEMFILL) &&NONMODS (ITEMFIL1) &&NONMODS (CONTFILL)*	*&&NONMODS (PALL2FIL)*
NONMOD4 (Step 4)	*DOLWGTNM DIST5354 MAPCLASS*	*&&NONMODS (DIRECT) &&NONMODS (ITEMFILL) &&NONMODS (ITEMFIL1) &&NONMODS (CONTFILL) &&NONMODS (PALL2FIL) &&NONMODS (NOTHAND) &&ADMWIN(EXEMPTNM)*	*&&MPCOSTS (NONMODS) &&MPCOSTS (NMEXEMPT)*
N5ALLIED (Step 5)	*DOLWGTNM DIST5354 MAPCLASS*	*&&MPCOSTS (NONMODS) &&MPCOSTS (NMEXEMPT) &&NONMODS (NMODKEY) &&NONMODS (ITEMPC) &&NONMODS (CONTEMP) &&NONMODS (NOTHAND) &&NONMODS(PALLET2) &&NONMODS(EXPRSOUT)*	*&&MPCOSTS (NMODPRC) Summary Data Inputs into C/S3 Workpapers*
NMDSHAPE	*SHAPES*	*&&MPCOSTS (NMODPRC)*	*Inputs into USPS-FY13-26*

ADMINISTRATIVE/ WINDOW SERVICES PROGRAMS	**% INCLUDE PROGRAMS**	**INPUTS**	**OUTPUTS**
ADMWIN WINACCP	*DOLWGT* *DOLWGTBM* *DOLWGTNM* *DIST5354* *MAPCLASS* *MAPCLCRA13*	*&&ADMWIN(MOD)* *&&ADMWIN(NMOD)* *&&ADMWIN(BMC)* *&&MODS(EXPRSOUT)*	*Inputs into C/S 3 Workpapers*

Table 1: FY 13 Cost Segment 3 Clerk and Mailhandler Cost Pools

1. MAIL PROCESSING (LDC 11-15,17-18,41-44,48-49,79 MODS ops for MODS & NDCs, IOCS ops for nonMODS)

SAS name	Applicable LDC or IOCS	Cost Pool Title	Pool Total Costs (incl migrated & fixed) (a)	PRC Mail Proc Pool costs (excl 'migrated') (b)	PRC Mail Proc Vol.Var. Costs (excl 'fixed') (c)	PRC Mail Proc Pool Volume-Variable Factor (c) / (b)
1A. MAIL PROCESSING - MODS 1&2 GROUP						
		Automated Distribution				
D/BCS	11	BCS/DBCS	1,672,723	1,664,957	1,654,168	0.9935
		Mechanized Distribution, Letters & Flats				
AFSM100	12 & 17	AFSM100 (incl. LDC17 MODS op #140)	544,426	542,433	534,628	0.9856
FSM/1000	12	FSM 1000	10,277	10,277	10,277	1.0000
FSS	12 & 17	FSS (incl. LDC17 MODS op #530)	208,507	208,073	203,465	0.9779
		Mechanized Distribution, Other				
MECPARC	13	Mechanized Parcels	5,347	5,166	4,955	0.9591
SPBS OTH	13	SPBS - Non Priority	245,370	244,481	238,268	0.9746
SPBSPRIO	13	SPBS - Priority	327,085	325,226	319,839	0.9834
1SACKS_M	13	Mechanical Sort - Sack Outside	37,927	37,630	35,715	0.9491
1TRAYSRT	13	Mechanical Tray Sorter / Robotics	270,002	269,278	255,973	0.9506
		Manual Distribution				
MANF	14	Manual Flats	161,069	160,439	157,735	0.9831
MANL	14	Manual Letters	333,872	330,836	323,873	0.9790
MANP	14	Manual Parcels	34,159	33,685	32,684	0.9703
PRIORITY	14	Manual Priority	232,717	231,363	224,769	0.9715
LD15	15	**LDC 15**	67,504	67,504	61,333	0.9086
		Allied Operations				
1CANCEL	17	Cancellation	225,650	224,748	220,708	0.9820
1DSPATCH	17	Dispatch	143,179	142,851	139,972	0.9798
1FLATPRP	17	Flats Preparation (excl. LDC17 op#140 & #530)	61,695	61,382	60,954	0.9930
1MTRPREP	17	Mail Preparation - metered	13,844	13,844	13,324	0.9624
1OPBULK	17	Opening Unit - BBM	56,537	56,537	55,166	0.9758
1OPPREF	17	Opening Unit - Preferred Mail	192,679	191,830	186,455	0.9720
1OPTRANS	17	Opening - Manual transport	67,664	67,116	64,125	0.9554
1PLATFRM	17	Platform	1,116,496	1,110,176	1,028,219	0.9262
1POUCHNG	17	Pouching Operations	39,009	38,679	38,097	0.9849
1PRESORT	17	Presort	131,394	129,357	124,358	0.9614
1SACKS_H	17	Manual Sort - Sack Outside	42,880	42,586	40,967	0.9620
1SCAN	17	Air Contract DCS and Incoming/SWYB	69,073	68,428	66,778	0.9759
		Other Operations				
BUSREPLY	18	Business Reply / Postage Due	11,163	11,056	10,803	0.9772
EXPRESS	18	Express Mail	73,621	73,151	64,673	0.8841
			-	-	-	-
REGISTRY	18	Registry	76,017	75,685	43,916	0.5803
REWRAP	18	Damaged Parcel Rewrap	12,533	12,186	12,112	0.9939
1EEQMT	18	Empty Equipment	30,452	30,327	30,051	0.9909
1MISC	18	Miscellaneous	65,390	56,878	54,528	0.9587
1SUPPORT	18	Mail Processing Support	143,553	42,671	37,928	0.8888
INTL ISC	all MP LDCs	**ISCs** (International Service Centers)	218,913	212,933	205,165	0.9635
LD41	41	LDC 41 - Unit Distribution - Automated/Mechan	1,863	1,777	1,771	0.9969
LD42	42	LDC 42 - Business Return Services	41,492	40,078	38,317	0.9561
LD43	43	LDC 43 - Unit Distribution - Manual	521,825	510,325	497,492	0.9749
LD44	44	LDC 44 - Post-Office Box Distribution	93,851	82,681	81,133	0.9813
LD48 EXP	48	LDC 48 - Customer Service / Express [1/]	12,182	12,182	6,853	0.5626
LD48 OTH	48	LDC 48 - Customer Service / Other [1/]	198,697	152,206	138,958	0.9130
LD48_ADM	48	LDC 48 - Customer Service / Admin [1/]	139,824	73,277	63,995	0.8733
LD48_SSV	48	LDC 48 - Customer Service / Spec.Servc. [1/]	47,871	45,022	28,748	0.6385
		Total Ldc 48	398,574			
LD49	49	LDC 49 - Computerized Forwarding Syst.	90,236	88,544	88,332	0.9976
LD79	79	LDC 79 - Mailing Req' & Bus. Mail Entry	190,577	178,963	86,060	0.4809
		MAIL PROCESSING TOTAL FOR MODS 1&2 Offices	**8,281,144**	**7,978,825**	**7,587,641**	**0.9510**

Table 1: FY 13 Cost Segment 3 Clerk and Mailhandler Cost Pools

SAS name	Applicable LDC or IOCS	Cost Pool Title	Pool Total Costs (incl migrated & fixed) (a)	PRC Mail Proc Pool costs (excl 'migrated') (b)	PRC Mail Proc Vol.Var. Costs (excl 'fixed') (c)	PRC Mail Proc Pool Volume-Variable Factor c / d
1B. MAIL PROCESSING - NDCs GROUP						
FSS	12 & 17	FSS (incl. LDC17 MODS op #530)	20,458	20,458	20,234	0.9891
MANP	14	NDC Manual Parcel Sorting (incl manual NMO)	25,041	24,960	23,365	0.9361
NMO	13	Non-Machinable Outside sorter (NMO)	2,784	2,784	2,625	0.9430
OTHR	other MP LDCs	Allied Labor & all other Mail Processing	117,507	100,521	94,962	0.9447
PLA	17	Platform	351,930	350,163	316,228	0.9031
PSM	13	Parcel Sorting Machine	157,925	155,967	152,783	0.9796
SPB	13	SPBS (incl APBS)	69,030	68,421	64,752	0.9464
SSM	13	Sack Sorting Machine	20,975	20,800	18,720	0.9000
TRAYSORT	13	Tray Sorter & Robotics	47,854	47,706	45,047	0.9443
		MAIL PROCESSING TOTAL FOR NDCs	**813,503**	**791,778**	**738,715**	**0.9330**
1C. MAIL PROCESSING - NON-MODS GROUP						
ALLIED	IOCs	Allied	349,433	349,433	333,866	0.9555
AUTO/MEC	IOCs	Automated/Mechanized	19,890	19,890	19,890	1.0000
BULKACCP	IOCs	Bulk Mail Acceptance	87,777	87,777	22,208	0.2530
BUSREPLY	IOCs	Business Return Services	42,121	42,121	41,930	0.9955
CFS	IOCs	Computerized Forwarding System	4,013	4,013	4,013	1.0000
D.PO BOX	IOCs	Distribution to P.O. Box	167,582	167,582	166,750	0.9950
EXPRESS	IOCs	Express Mail	25,911	25,911	17,441	0.6731
MANF	IOCs	Manual Flat	233,453	233,453	231,309	0.9908
MANL	IOCs	Manual Letter	265,551	265,551	262,822	0.9897
MANP	IOCs	Manual Parcel	405,336	405,336	401,130	0.9896
MISC	IOCs	Miscellaneous	207,810	207,809	204,442	0.9838
OTH ACCT	IOCs	Other Accountable	128,508	128,508	52,558	0.4090
REGISTRY	IOCs	Registry	17,524	17,524	7,109	0.4057
		MAIL PROC.TOTAL FOR NONMODS	**1,954,909**	**1,954,909**	**1,765,468**	**0.9031**
		TOTAL MAIL PROCESSING FOR COST SEGMENT 3	***11,049,556***	***10,725,512***	***10,091,824***	**0.9409**

2. ADMISTRATIVE/WINDOW SERVICES - inputs to B Workpapers

2A.	ADMISTRATIVE/WINDOW SERVICES -MODS		**969,213**
	non-MP LDCs	Administrative Services - ISCs	6,927
	45	Window Services	618,823
	75	Claims & Inquiries	8,429
	othr non-MP LDCs	Administrative Services	335,035
		Subtotal	969,213
2B.	ADMISTRATIVE/WINDOW SERVICES -NDCS		**13,906**
	75	Claims & Inquiries	1,693
	othr non-MP LDCs	Administrative Services	12,213
		Subtotal	13,906
2C.	ADMISTRATIVE/WINDOW SERVICES - nonMODS		**1,700,892**
	IOCS	Administrative Services [2/]	227,307
	IOCS	Claims & Inquiries	2,368
	IOCS	Window Services	1,471,217
		Subtotal	1,700,892
TOTAL COST SEGMENT 3			**13,733,567**
		Total MODS 1&2 Offices (incl ISCs)	**9,250,358**
		Total NDCs	**827,409**
		Total NonMODS Offices	**3,655,801**

Footnotes

[1/] *The total LDC 48 cost is allocated to the four LDC 48 cost pools in proportion to IOCS tallies reporting LDC 48 MODS ooperations .*

[2/] *All the non-mail processing clocking in/out costs are included in this category before being allocated to the non-mail processing functions.*